

WHAT ARE CHANCES FOR PROP. 1B RAIL PROJECTS?

by **Richard F. Tolmach**

Proposition 1B, the \$20 billion statewide infrastructure bond that passed with 61% of the vote, contained significant rail and transit funding provisions for Southern California because of effective lobbying by local leaders, including Los Angeles Mayor Antonio Villaraigosa and Assembly Speaker Fabian Nuñez (D-L.A.).

Villaraigosa, who actively supported the bonds, hopes to see the Purple Line subway (recently renamed from Red by the MTA) extended west towards Wilshire and Fairfax using bond funds. Rep. Henry Waxman, (D-L.A.) who originally blocked the extension in the 1990's has become convinced

Other local rail advocates in the Southland hope for bond funds to build the Downtown Regional Connector light rail line, extend the Foothill Gold Line to Azusa, bring the Green Line to LAX and beyond, or the Exposition light rail line all the way to Santa Monica.

Commuters and Amtrak users are hoping for progress on triple-tracking the congested Fullerton-Los Angeles corridor, other track capacity projects, and more equipment for packed Surfliner and Metrolink consists.

Several categories of projects will have to compete for funding in an analytical/political process overseen by the California Transportation Commission. Regional transportation planning agencies will propose projects for priority, which will be arbitrated by the CTC. But because no one has done such a large bond measure before, the politics and metrics of the process are unpredictable.

Recent meetings involving the Governor's Office, BT&H Officials and the California Department of Finance showed a wide range of opinion on the measures which should be applied to determine cost effectiveness. The biggest controversy may be on funds which have discretionary rail or highway use, such as those for Corridor Mobility Improvement (\$4.5 billion) and Ports, Infrastructure, Security and Air Quality (\$3.1 billion).

Corridor Mobility Improvement (CMI) funds are supposed to be mode-independent, but the prevailing view is that they will become highway money unless some very compelling rail projects develop a following.

CMI is to be allocated by the California Transportation Commission to highly congested travel corridors in the State. Projects in this category must have a high priority; be start construction by 2012, improve mobility in a highly congested corridor by improving travel times and reducing vehicle hours of delay, connect the state highway system and improve access to jobs, housing, markets and commerce. For competing projects, the CTC must evaluate quantifiable air quality and safety benefits. A 40%/60% North/South split guarantees that Southern California receives its fair share of funding.

Ports Infrastructure, Security and Air Quality (PISAQ) has \$3.1 billion, which rail supporters hope won't be piddled away on highway-based improvements. \$2 billion of this is for infrastructure improvements on trade corridors with high volumes of freight movement. \$1 billion is for Air Resources Board grants for freight emission reduction and \$100 million for Office of Emergency Services grants for security enhancements to ports, harbors and ferry terminals.

The CTC will apportion PISAQ funds between competing projects serving movement of freight from seaports, navigable waterways, land ports of entry and airports. Eligible projects include highway capacity boosts, port efficiency improvements, toll truck roads, or rail improvements that improve freight capac-

ity, including projects that separate rail lines from highway or move freight through mountainous areas.

The \$4 billion slice of the pie Villaraigosa and Nuñez asked for is funded under Public Transportation, Modernization Improvement and Service Enhancement (MISE).

This program allocates \$3.6 billion for new transit projects including intercity rail projects and for commuter or urban rail operators, bus operators, waterborne transit operators for rehabilitation, safety or modernization improvements, service enhancements and new capital projects. With the 40/60 split, this means that Southern California rail projects are in for nearly \$2.2 billion of state funds, and successfully match for a much bigger slice of federal dollars.

In the Bay Area, there is not much consensus yet over regional transit projects, with localized pockets of support for individual extensions or service improvements. A compelling proposal like a 125 mph Altamont-Dumbarton line for Caltrain, ACE, and Amtrak could change this picture in a hurry.

The remaining \$400 million is dedicated to intercity rail, of which \$125 million must be used to purchase new cars and locomotives. However, just because money is in the bond, doesn't mean it will automatically be spent. Sources across the state indicate the Department of Finance is opposed to issuance of any bond funds this year for intercity passenger rail. Luckily, Prop. 1B language gave the legislature, not Finance, the role of deciding the final budget submitted to the Governor for use of bond fund proceeds.

Capitol Corridor Exec Gene Skoropowski expressed great concern that a delay in making available any intercity rail funds from the recent voter-approved transportation bonds would have a devastating impact on the quantity and quality of services on all three state-supported corridors. "The Capitol Corridor has several projects that are designed and ready to go into construction. Our four top projects are: Bahia crossovers: \$7.5 million, Emeryville track and crossover: \$8.0 million, Yolo West Causeway crossovers: \$6.0 million, and Santa Clara-Great America double track extension: \$27.0 million," said Skoropowski.

"I am not at all certain when the rail rolling stock funds will become available in order for Caltrans to place an order for the new rolling stock," said Skoropowski. "The apparent 'strangling' of any capital funds this year for intercity passenger rail greatly concerns me, because with the three to four years it takes to deliver new railcars, the costs go up every year primarily due to steel prices and other 'global economy' issues."

Said Skoropowski, "We actually need more cars as of today. Caltrans will also have documents ready for bid by this summer. As I understand it, Caltrans must have the funds secured in order to even solicit bids, let alone award a railcar contract."

"I am hoping that Caltrans gets the OK to order these cars mid-2007, but so far it appears to be a 'no go'. The modest track projects listed above (primarily crossovers) are designed to improve train reliability and flexibility to conduct maintenance work," said Skoropowski.

Rail supporters who want to see trains in California's future need to be proactive, and make their voices heard in the debate about new cars from now until June. We need to: 1) Inform the Governor and regional transportation agencies about our preferences for rail projects from the bond funds, 2) Develop support among city and county officials for bond rail projects, 3) Lobby our Senators and Assembly Members on the need for more cars.

EXECUTIVE DIRECTOR'S CORNER

Soap Bubble Bonds



Pursuing capital funds for rail transit at this State Capitol at times reminds me of a child pursuing a soap bubble. Just as she grabs for the bubble, it bursts and there is really nothing there.

Early last year, a group of visionary staffers at the State Capitol formulated a regionally-balanced \$2 to 3 billion statewide plan to fund specific intercity and commuter rail projects. Planning was halted when 1B was unveiled for November vote. With 1B's passage, we are left with \$400 million for intercity rail over a ten year period. Each annual allocation must be included in the state budget in order to be tapped. The Governor's proposed '07-'08 budget calls for zero.

We are entering a boom era of highway building, one with few actual new highways. It is a boom of new lanes, widenings and interchange rebuilds. Conversely, we have experienced a rail boom era over the 15 years since the passage of Prop. 116. The Capitol Corridor from nothing to sixteen round trips. Metrolink from nothing to the build-out of the expansive system we see today. This is what billions for rail can do.

Regardless of what we don't have, Prop. 1B potentially has real rail money, especially for urban projects in the south state. At our annual conference, Caltrans Director Will Kempton noted that in addition to the \$4 billion for rail and transit, "rail can also compete for projects in the Corridor Mobility Improvement Program; that's another \$4.5 billion dollars ... [Though] highways will get the bulk of those dollars ... there is an opportunity for us to use some of that money for rail in corridors where there will be a substantial reduction in congestion. I hope to see a number of candidate projects for rail as part of that particular program."

There may not be any other large state funding sources coming for quite awhile. Arnold's 2007 state-of-the-state address proposed that voters consider approving more non-transit bond billions that will max out the state's bonding capacity for over a decade. The administration plans to remove the high-speed rail bonds for a third time, probably without a forth rescheduling.

If that were not enough, Arnold's budget proposes diverting more than \$1 billion from public transit. The State Department of Finance also apparently convinced the Governor to turn down the Caltrans request to place an order for more intercity rail cars in this budget.

The Governor gained major points from environmentalists by verbally supporting the effort to cut greenhouse gases. However, there is a real disconnect if the Governor's current policies tilt the balance to highways. Transportation contributes roughly 40% of air contaminants. The Governor's policies do not support the Governor's goals.

Rail transportation is seen worldwide as a large part of solving the greenhouse gas problem and is perhaps the only feasible way to mitigate the negative environmental effects of major urban highway projects embedded in the infrastructure bond. The Governor needs to support his words on greenhouse gases with action on transportation. Otherwise, the environmental stance that helped Arnold claim victory in the November 2006 election will be seen as just another broken promise.

—Alan C. Miller